

Western Rockcastle Water Association

P.O. Box 627 Mount Vernon, Kentucky 40456

606-256-8283

RECEIVED
JUL 12 2004
PUBLIC SERVICE
COMMISSION

July 12, 2004

Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

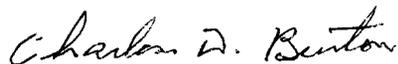
Case 2004-00283

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Western Rockcastle Water Association. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice will be forwarded to you upon publication.

Sincerely,



Charles Denver Burton
President

enclosure

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

RECEIVED
JUL 12 2004
PUBLIC SERVICE
COMMISSION

Western Rockcastle Water Association
(Name of Utility)

July 12, 2004
(Date)

P.O. Box 627
(Address)

Case 2004-00283

Mount Vernon, KY 40456
(City, State)

859-256-8283
(Telephone Number)

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Mt. Vernon</u>	<u>\$1.81 Per 1000 Gal.</u>	<u>\$2.05</u>
<u>Southern Madison Water District</u>	<u>(See Schedule)</u>	<u>No Change</u>
<u>City of Brodhead</u>	<u>\$1.81 Per 1000 Gal.</u>	<u>No Change</u>

- 1.b. The Public Service Commission has approved the increased rates for the city of Mount Vernon. Western Rockcastle was notified of the increase in rates and has agreed that the increase appears to be reasonable.

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From June 2003 through May 2004
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>City of Mt. Vernon</u>	<u>283,926,800</u>
<u>Southern Madison Water</u>	<u>8,532,200</u>
<u>Brodhead</u>	<u>444,500</u>
 TOTAL PURCHASES	 <u>292,903,500</u>

4. Total sales for the 12 month period 283,926,800

5. Increased water cost \$68,142.43

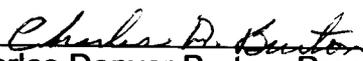
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$.32

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date July 18, 2004.



Charles Denver Burton, President

WESTERN ROCKCASTLE WATER ASSOCIATION				
WATER PURCHASED AND SOLD				
	Mt. Vernon	Southern Madison	Brodhead	
June 03	21,888,400	721,800	34,500	
July 03	27,326,200	646,400	44,700	
Aug 03	26,711,800	755,600	38,800	
Sept 03	21,017,600	649,300	40,600	
Oct 03	21,970,600	596,300	35,100	
Nov 03	24,921,400	696,800	40,200	
Dec 03	21,903,700	637,200	33,900	
Jan 04	28,997,000	756,700	35,800	
Feb 04	24,223,600	836,400	37,300	
Mar 04	16,949,800	747,600	37,400	
Apr 04	22,463,900	751,600	30,800	
May 04	25,552,800	736,500	35,400	
Total	283,926,800	8,532,200	444,500	
Cost from Southern Madison				
First 2,000	12	24,000	\$ 11.43	\$ 137.11
Next 1,000		12,000	5.623	67.48
Next 3,000		36,000	5.213	187.67
Next 4,000		48,000	4.753	228.14
Next 15,000		180,000	3.873	697.14
Next 25,000		300,000	3.573	1,071.90
Over 50,000		7,932,200	3.023	23,979.04
Total		8,532,200		\$ 26,368.48
Cost from City of Mount Vernon				
		283,926,800	\$ 1.81	513,907.51
Cost from Brodhead				
		444,500	\$ 1.81	804.55
Total Current Water Costs				\$ 541,080.53
Cost at New Rates				
Mount Vernon			2.05	\$ 582,049.94
Brodhead				804.55
Southern Madison				26,368.48
Total New Costs				\$ 609,222.97
Increased Costs				\$ 68,142.43
Total Sales		213,622,400		
Purchased Water Adjustment				0.32

FOR Rockcastle County Kentucky
Community, Town or City

P.S.C. KY. NO. _____

Revised _____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

Original _____ SHEET NO. _____

Western Rockcastle Water Assn.
(Name of Utility)

CONTENTS

Rates: Monthly

5/8" x 3/4" Meter

First	2,000 gallons	\$15.04	Minimum Bill
Next	3,000 gallons	5.42	per 1,000 gallons
Next	5,000 gallons	5.02	per 1,000 gallons
Next	15,000 gallons	4.52	per 1,000 gallons
Over	25,000 gallons	3.42	per 1,000 gallons

1" Meter

First	5,000 gallons	\$31.30	Minimum Bill
Next	5,000 gallons	5.02	per 1,000 gallons
Next	15,000 gallons	4.52	per 1,000 gallons
Over	25,000 gallons	3.42	per 1,000 gallons

1-1/2" Meter

First	10,000 gallons	\$56.40	Minimum Bill
Next	15,000 gallons	4.52	per 1,000 gallons
Over	25,000 gallons	3.42	per 1,000 gallons

2" Meter

First	25,000 gallons	\$124.20	Minimum Bill
Over	25,000 gallons	3.42	per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE July 18, 2004

ISSUED BY Charles D. Bustin
Month / Date / Year
(Signature of Officer)

TITLE Pres.

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

NOTICE

Due to a rate increase from the City of Mount Vernon, the Western Rockcastle Water Association has filed an application with the Public Service Commission to implement the following rate schedule. The proposed change will affect all bills issued on and after July 17, 2004.

Monthly Rates

Current Rates

Proposed Rates

5/8" x 3/4" Meter

First 2,000 gallons	\$14.40 Minimum Bill	\$15.04 Minimum Bill
Next 3,000 gallons	5.10 per 1,000 gallons	5.42 per 1,000 gallons
Next 5,000 gallons	4.70 per 1,000 gallons	5.02 per 1,000 gallons
Next 15,000 gallon	4.20 per 1,000 gallons	4.52 per 1,000 gallons
Over 25,000 gallons	3.10 per 1,000 gallons	3.42 per 1,000 gallons

1" Meter

First 5,000 gallons	\$29.70 Minimum Bill	\$31.30 Minimum Bill
Next 5,000 gallons	4.70 per 1,000 gallons	5.02 per 1,000 gallons
Next 15,000 gallons	4.20 per 1,000 gallons	4.52 per 1,000 gallons
Over 25,000 gallons	3.10 per 1,000 gallons	3.42 per 1,000 gallons

1-1/2" Meter

First 10,000 gallons	\$53.20 Minimum Bill	\$56.40 Minimum Bill
Next 15,000 gallons	4.20 per 1,000 gallons	4.52 per 1,000 gallons
Over 25,000 gallons	3.10 per 1,000 gallons	3.42 per 1,000 gallons

2" Meter

First 25,000 gallons	\$116.20 Minimum Bill	\$124.20 Minimum Bill
Over 25,000 gallons	3.10 per 1000 gallons	3.42 per 1,000 gallons

The bill for an average customer using 5,000 gallons each month would go from \$29.70 to \$31.30, a monthly increase of \$1.60, or 5 percent.

The rates contained in this notice are the rates proposed by the Western Rockcastle Water Association. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Western Rockcastle Water Association has available for inspection at its office the application submitted to the Public Service Commission. You may contact the office at (606) 256-8283